

**Memorandum of Understanding**  
**between**  
**Village of Arlington Heights**  
**and**  
**UrbanStreet Group, LLC**

The Village of Arlington Heights (“*Village*”) and UrbanStreet Group, LLC, an Illinois limited liability company, or controlled nominee (“*UrbanStreet*”; the Village and UrbanStreet are each a “*Party*” and collectively the “*Parties*”) enter into this Memorandum of Understanding (“*MOU*”), related to the Project (defined below) and the Village Parcels (defined below).

**1. Acknowledgment of the Parties**

This MOU is not binding on either Party, except that for a period of 180 days (which may be extended by written consent of the Village Manager and UrbanStreet) following their mutual approval of this MOU (“*Negotiation Period*”), the provisions of Section 5.C will be binding. Otherwise, the Parties will be bound only if and when they enter into the Purchase and Sale Agreement and the Redevelopment Agreement (both defined below).

Moreover, the Parties acknowledge and agree that none of the details of the Project have been fully analyzed or considered by UrbanStreet and the Village Board of Trustees, or any of its boards or commissions, and by approving this MOU neither the Village, nor UrbanStreet is implying or guaranteeing approval of the Project unless and until a more complete analysis and consideration have taken place, including, without limitation, the completion of the zoning, subdivision review, and tax increment financing processes required by law. The Parties further acknowledge and agree that the execution of this MOU is not to be deemed or interpreted as the approval by the Village of any or all of the required zoning, subdivision, or financial incentive approvals for the Project, nor as an obligation for the Village to grant any or all of the required approvals. However, notwithstanding the foregoing, the MOU is a framework from which to negotiate the various agreements and approvals for the Project referenced herein.

**2. UrbanStreet’s Project:**

A. UrbanStreet has proposed the redevelopment of approximately 17.6 acres located generally at the northeast corner of Golf and Arlington Heights Roads in the Village (“*Development Site*”), featuring a mix of uses, including a residential development, an affordable senior living development, and commercial outlots (“*Project*”). UrbanStreet is currently under contract to purchase approximately 13.5 acres of the Development Site, which is commonly known as International Plaza (“*IP Property*,” which is generally depicted on the preliminary Project concept site plan in *Exhibit A-1*). International Plaza is located in Village TIF #4 (“*Existing TIF*”).

*District*”) and is developed as a shopping center that includes approximately 170,000 square feet of retail space, most of which is subject to month-to-month leases or is vacant.

B. The proposed residential development consists of six buildings with a total of 266 market rate units and on-site improvements, access and common facilities and amenities (collectively the “*Market Rate Component*”).

C. The proposed affordable senior living development consists of one building with up to 37 units and on-site improvements, access and common facilities and amenities (“*Affordable Senior Component*”). UrbanStreet will make the ASC Property (defined below) “pad ready” for the Affordable Senior Component. Urban Street is currently negotiating with an affordable housing developer for the development of the Affordable Senior Component. However, if that developer does not proceed with the Affordable Senior Component, UrbanStreet will use good faith efforts to secure the development of the Affordable Senior Component by another developer. The Affordable Senior Component will be designed and incorporated into the Project in a manner similar to the Market Rate Component. Residents of the Affordable Senior Component will have access to exterior amenities in the Market Rate Component to the extent the Affordable Senior Component does not include similar facilities, pursuant to rules and restrictions developed during the land use entitlements process for the Project, which will be promulgated by the ownership or management of the Market Rate Component from time to time, and conditioned upon such access not adversely affecting the financing, marketability or use of the Market Rate Component, as reasonably determined by the owner or management of the Market Rate Component.

D. The proposed commercial outlot development consists of several outlots fronting on Golf Road (collectively the “*Commercial Outlots*”). The Village has offered, as a part of its incentive for the Project, the transfer of certain Village-owned parcels at the northeast corner of South Arlington Heights and Golf Roads to UrbanStreet for the development of portions of the Project which are located upon such parcels (collectively the “*Village Parcels*,” which are generally depicted on *Exhibit A-2* and which have the property index numbers listed in *Exhibit B*).

E. UrbanStreet estimates the total costs of the Project will be approximately \$100,200,000, which includes all land acquisition costs and all hard costs and soft costs for development of the Market Rate Component and preparation of the sites for the Commercial Outlots and Affordable Senior Component.

F. UrbanStreet estimates that the Project is intended to be developed within the following timeline (i) acquisition of the IP Property and the Village Parcels by September 15, 2024, (ii) start of construction of the Market Rate Component by October 31, 2024, (iii) initial occupancy of the Market Rate Component December 31, 2025, (iv) start of construction of the Affordable Senior Component by September 15, 2025, (v) occupancy of the Affordable Senior Component approximately 18 months after commencement, (vi) start of construction of the

Commercial Outlots by May 31, 2025, and (vii) occupancy of the Commercial Outlots within 24 months after commencement. These estimates are based upon certain assumptions which may or may not be achieved based upon the actual timing of the conditions precedent to the acquisition of the IP Property and Village Parcels and the commencement of the Project. The Redevelopment Agreement will include a timeline for commencement and completion of the Project and its components, along with completion guaranties for the privately-owned portions of the Project similar to those required by construction lenders, and with completion guaranties for the public improvements constructed as part of the Project as required by applicable law.

### **3. Village Redevelopment Goals for IP Property:**

The Village affirms its decades-long desire to achieve the redevelopment of the blighted IP Property with an appropriate use or uses and acknowledges that such a redevelopment is one of the Village's highest priorities. Specifically, the Village affirms, as reflected in its Redevelopment Plan and Project for the Existing TIF District, its willingness to utilize appropriate incentives, including tax increment financing incentives, to encourage such redevelopment. The Village also acknowledges that the portions of the Project to be developed on the Village Parcels are appropriate uses for the redevelopment of the IP Property.

### **4. Financial Gap and Request for Incentives:**

A. UrbanStreet has advised the Village that, based on UrbanStreet's financial analysis and projections, the redevelopment of the IP Property with the Project would result in a below-market rate of return, and therefore results in a financial "gap". UrbanStreet's Project *pro forma* projections are in *Exhibit C*. UrbanStreet has represented to the Village that the Project is not commercially feasible without the conveyance of the Village Parcels, the TIF Incentive (defined below), and the Pledged Taxes (defined below), because UrbanStreet would be unable to achieve its goal of an internal rate of return ("**IRR**") of 13.28% ("**Target IRR**") for the Project. UrbanStreet's IRR will be calculated according to the formula and method in *Exhibit C*. As set forth below, the amount of the TIF Incentive will be adjusted, through the principal amount of the TIF Note (defined below), so that the Target IRR has the potential to be met.

B. Accordingly, UrbanStreet has requested economic incentives from the Village in the form of:

i. Up to a \$3.3 million cash payment to UrbanStreet from the Village, from the current fund balance of the Existing TIF District (the "**Direct Incentive Payment**"), committed and disbursed by the Village into an escrow ("**Escrow**") which is established for the reimbursement of TIF Eligible Costs (defined below) and released from the escrow when permissible per Section 4.D below pursuant to joint direction of the Village and the Developer after Village approval of Developer requests for reimbursement delivered to the Village from time to time;

ii. Revenue bonds ("**Revenue Bonds**") with the following characteristics:

1. The principal amount of the Revenue Bonds (“**Actual Principal Amount**”) will be determined based on a feasibility report prepared by the Village’s financial consultants that will consider, among other factors, progress on the Market Rate Component, the Affordable Senior Component, and the Commercial Outlots, but the net proceeds of the Revenue Bonds payable to UrbanStreet will be the amount remaining after deductions for amounts including, without limitation, reserves and costs of issuance, which are currently estimated to be \$5.3 million (“**Net Bond Proceeds**”), and the Net Bond Proceeds will be deposited into the Escrow;

2. The interest rate of the Revenue Bonds will be an amount adequate to market them, but cannot exceed 9%, calculated on a 360-day year;

3. Interest on the Revenue Bonds is expected to be exempt from taxation to the extent both permissible under the law and allowable in the opinion of the Village’s bond counsel;

4. Debt service on the Revenue Bonds will be paid only from pledges of the incremental property taxes generated by the Existing TIF District, excluding incremental property taxes generated by those properties listed in **Exhibit D** and net of the Senior Pledges (as defined in Section 4.G below), that are received by the Village from the County Treasurer (as set forth in a separate tax code from the County if permitted), along with 33% of the 1% Village’s home rule sales tax generated by the Project during the term of the Existing TIF District and received by the Village from the State (collectively the “**Pledged Taxes**”);

5. Debt service on the Revenue Bonds will have a minimum debt coverage ratio of 1.30:1.00;

6. The Village will use its reasonable best efforts to sell the Revenue Bonds within 180 days of UrbanStreet satisfying the conditions in Section 4.D(i) – (vi) below;

7. The Revenue Bonds will mature no later than the Village’s receipt of the final payment of Pledged Taxes from the Existing TIF District; and

iii. One pay-as-you-go tax increment financing junior lien note in a principal amount currently estimated at approximately \$2.79 million or such greater amount equal to the difference between the amount of total TIF Incentive necessary not to exceed the Target IRR and the sum of the Direct Incentive and the Net Bond Proceeds and in an amount supported by the Feasibility Report, bearing interest at the annual rate equal to no more than 100 basis points over the interest rate of the Revenue Bonds, calculated on a 360 day year, and payable from Pledged Taxes remaining after payment of the debt service supporting the Revenue Bonds (“**TIF Note**” and, collectively with the Direct Incentive Payment and the Net Bond Proceeds, the “**TIF**”

*Incentive*”). The TIF Note will be issued within 90 days of final occupancy of the Market Rate Component. Interest on the TIF Note will be exempt from taxation to the extent both permissible under the law and allowable in the opinion of the Village’s bond counsel. The TIF Note will mature no later than the Village’s receipt of the final payment of Pledged Taxes from the Existing TIF District.

C. The TIF Incentive will be a limited obligation of the Village payable solely from the Pledged Taxes. The TIF Incentive will not be a general obligation of the Village and will not be secured by the full faith and credit of the Village. Insufficiency of the Pledged Taxes to pay the TIF Incentive when due will not be an event of default and UrbanStreet will have no recourse against the Village in the event there is an insufficient amount of Pledged Taxes to pay the TIF Incentive.

D. The TIF Incentive will be earned by UrbanStreet upon the receipt by the Village of evidence (i) that sufficient construction financing and equity funding is available for the completion of the acquisition of the Development Site, the site improvements for the entire Development Site, and the construction of the Market Rate Component and the Commercial Outlots, (ii) of executed contracts for construction of the Market Rate Component and the Commercial Outlots, (iii) of executed purchase and sale agreements, leases, or letters of intent relating to the development and use of all the Commercial Outlots, (iv) any other information required to be provided to any underwriter of the Revenue Bonds with respect to the issuance of the Revenue Bonds, (v) that all zoning, subdivision, and other land use approvals for the Project have been obtained and that building permits for the Market Rate Component and the Commercial Outlots have been obtained, and (vi) other information reasonably required by the Village with respect to the viability of the Market Rate Component and the Commercial Outlots. Project funding will be disbursed as follows: (x) first, private equity, of approximately \$31,500,000, and any proceeds from the sale of any portion of the Development Site, (y) second, the TIF Incentive in the Escrow, so long as the construction lender has confirmed in writing that the construction loan is in balance and ready to be disbursed for the Project, and (z) third, construction loan proceeds, of approximately \$60,131,000. Distributions of the TIF Incentive that are earned, but not paid because of a lack of revenues, such as from the TIF Note, will accrue until paid.

E. The TIF Incentive may only be used for eligible redevelopment project costs, and, with respect to TIF Incentive provided through the grant of proceeds of tax-exempt obligations, eligible redevelopment project costs that qualify to be financed with proceeds of tax-exempt obligations. The amounts of the TIF Incentive and the Target IRR are subject to revision prior to finalizing the Redevelopment Agreement based on the Parties’ further review of the Project’s funding sources, anticipated construction costs, IRR, and Target IRR.

F. If the Project yields a rate of return in excess of the Target IRR, then (i) during construction of the Project, UrbanStreet will bury the ComEd lines in the vicinity of the Project, at its cost (“*Undergrounding Costs*”), to the extent the Undergrounding Costs do not cause the

rate of return for the Project to be below the Target IRR, and (ii) if after paying the Undergrounding Costs, or if UrbanStreet does not bury the ComEd Lines, the Project yields a rate of return in excess of the Target IRR, the TIF Incentive will be reduced to an amount that is no greater than necessary so that UrbanStreet achieves the Target IRR, and no more. Reductions of the TIF Incentive will be accomplished first by reducing the principal amount of the TIF Note prior to its issuance, and second, if necessary, UrbanStreet will return any excess Direct Incentive Payment it received that results in the Target IRR being exceeded.

G. The Parties acknowledge that incremental property taxes from the Existing TIF District are pledged (i) first to pay student tuition assistance payments pursuant to 65 ILCS 5/11-74.4-3(q)(7.5) and library patron assistance payments pursuant to 65 ILCS 5/11-74.4-3(q)(7.7), (ii) second to pay certain amounts pursuant to Intergovernmental Agreements related to the Existing TIF District between the Village and Township High School District No. 214, the Village and Elk Grove Township, the Village and Arlington Heights Park District, and the Village and Community Consolidated School District No. 59, and (iii) third to pay the Village's administration costs for the Existing TIF District, including, without limitation, costs of issuance related to the TIF Incentive (collectively the "*Senior Pledges*"). Incremental property taxes pledged or paid as part of the TIF Incentive are subordinate to, and will be net of, the Senior Pledges.

H. UrbanStreet anticipates that the Project will commence on or prior to November 30, 2024 and to be completed, meaning all aspects have satisfied the requirements for the issuance of Village-issued certificate of occupancy on or prior to November 30, 2026. The Redevelopment Agreement will include a timeline for commencement and completion of the Project and its components.

I. The Parties' final and binding agreement related to the Project will be embodied in a redevelopment agreement approved by both the Village Board of Trustees and UrbanStreet ("*Redevelopment Agreement*"). However, the Redevelopment Agreement will be approved only after the Village has completed all necessary public hearings and meetings necessary for the Project's incentives, zoning, subdivision, and other entitlements.

## **5. Purchase of Village Parcels:**

A. To incentivize UrbanStreet to develop the Project, the Village is willing to agree, in a purchase and sale agreement approved by both the Village Board of Trustees and UrbanStreet ("*Purchase and Sale Agreement*"), to designate UrbanStreet as the developer of the Village Parcels and to convey to UrbanStreet title to the Village Parcels in as-is where-is condition for \$10. The Purchase and Sale Agreement will acknowledge the historic uses of the Village Parcels which include a gas station and a dry-cleaning facility, and that UrbanStreet accepts the Village Parcels without reservation or contingency with respect to their environmental condition. The conveyance will be conditioned on, and will occur after the later of, (i) approval of all zoning, subdivision, and other entitlements necessary for the Project, (ii) approval of the Redevelopment

Agreement, (iii) UrbanStreet satisfying the conditions in Section 4.D(i)-(vi) above. The conveyance will be at no cost to the Village. The other terms and conditions of the conveyance will be included within the Purchase and Sale Agreement. The Purchase and Sale Agreement will be approved prior to the Redevelopment Agreement. Notice of the proposed Purchase and Sale Agreement will be given, and alternative proposals for development of the Village Parcels will be considered, in accordance with 65 ILCS 5/11-74.4-4(c).

B. If UrbanStreet takes title to the Village Parcels:

i. If UrbanStreet fails to commence construction of the Project when required, the Purchase and Sale Agreement will grant the Village the right to reconveyance of the Village Parcels.

ii. If UrbanStreet commences construction of the Project when required, and if UrbanStreet has not conveyed the property on which the Affordable Senior Component will be constructed (“*ASC Property*”) to the developer constructing it, and if the developer constructing it fails to receive sufficient construction financing and equity funding, on or before November 30, 2025, the Purchase and Sale Agreement will grant the Village the right to reconveyance of the ASC Property in “pad ready” condition.

C. The Village hereby designates UrbanStreet as the exclusive developer of the Village Parcels during the Negotiation Period and agrees that, during the Negotiation Period, the Village will not negotiate with any entity other than UrbanStreet or its designee concerning (i) the redevelopment of the Village Parcels, or (ii) the Village’s sale or other conveyance of the Village Parcels.

## **6. Additional Redevelopment Agreement Provisions:**

UrbanStreet will seek various zoning, subdivision, and development approvals for the Project. If such requests (as they may be supplemented or modified by UrbanStreet) are approved by the Village, they will also be incorporated in the Redevelopment Agreement. Further, the Redevelopment Agreement will include such other provisions as the Parties deem appropriate and mutually acceptable, including Project completion and performance guarantees and a list of redevelopment project costs eligible for reimbursement with the TIF Incentive (the “*TIF Eligible Costs*”).

**Approved:**

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**Village of Arlington Heights**

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**UrbanStreet Group, LLC**



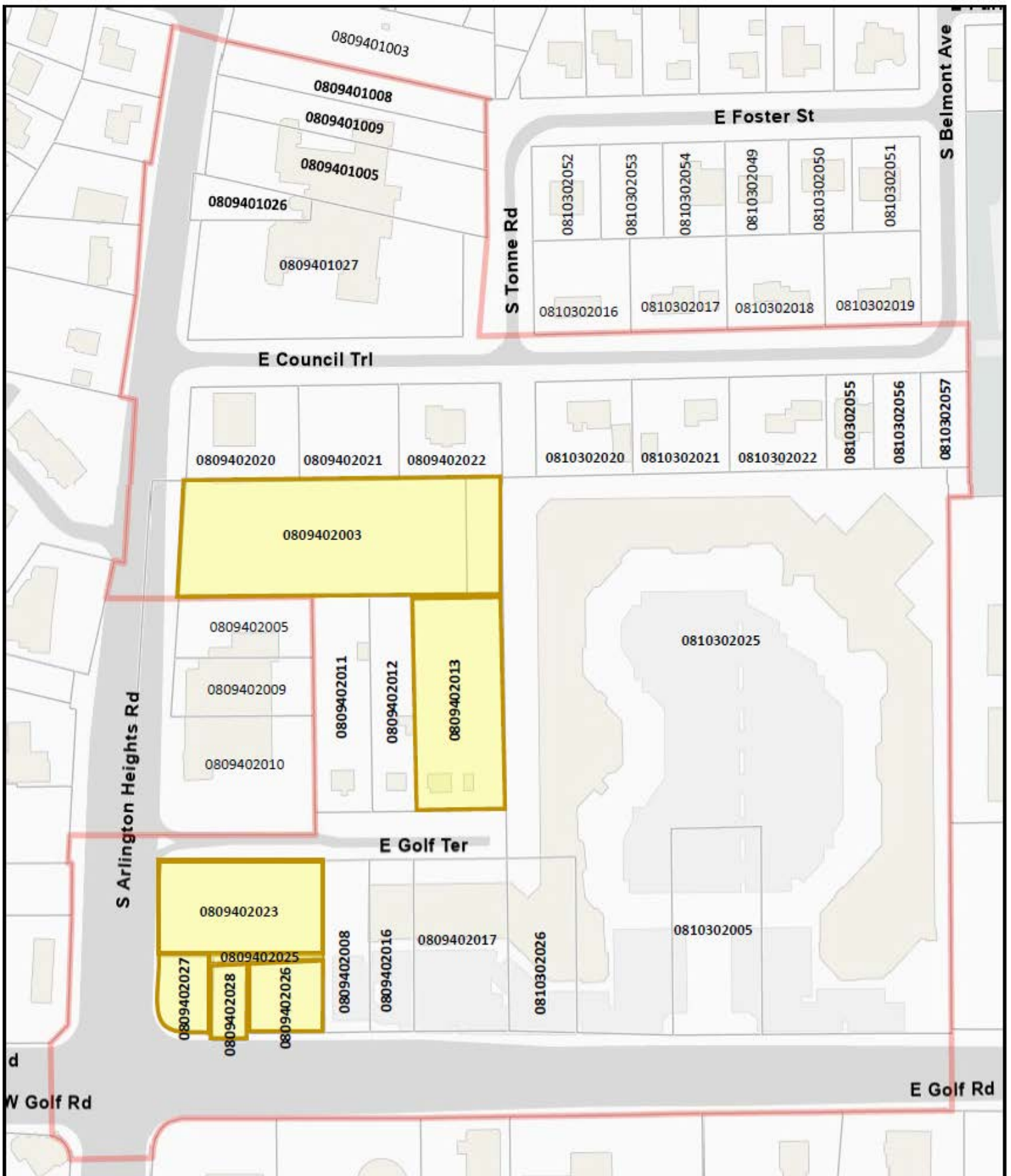
**EXHIBIT A-1**

**PROJECT CONCEPT SITE PLAN**

(attached)



**EXHIBIT A-2**  
**VILLAGE PARCELS DEPICTION**  
(attached)



Highlighted parcels are Village-owned.

11/14/2023

**EXHIBIT B**  
**VILLAGE PARCELS**

Cook County Property Index Numbers<sup>1</sup>:

1. PIN 08-09-402-003
2. PIN 08-09-402-013
3. PIN 08-09-402-023
4. PIN 08-09-402-025
5. PIN 08-09-402-027
6. PIN 08-09-402-028
7. PIN 08-09-402-026

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<sup>1</sup> The Village Parcels exclude the ASC Property.

**EXHIBIT C**

**PROJECT *PRO FORMA* AND IRR FORMULA AND METHOD**

(attached)

**PRELIMINARY, SUBJECT TO CHANGE**

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS  
Urban Street - International Plaza Redevelopment**

**PROJECT SUMMARY  
Uses of Funds**

**USES:**

|  |                   |
|--|-------------------|
|  | <u>Total</u>      |
| <b>Total Land Acquisition</b>                    | 9,564,200         |
| <b>Total Site Development Costs</b>              | 13,257,000        |
| <b>Total Hard Construction Costs of Building</b> | 59,824,732        |
| <b>Total Soft Costs</b>                          | <u>17,566,810</u> |
| <br>   |                   |
| <b>Total Costs</b>                               | 100,212,742       |

**PROJECT SUMMARY  
Sources of Funds**

**SOURCES:**

|                                       |                    |             |
|---------------------------------------|--------------------|-------------|
| <u>Without Financial Assistance</u>   |                    |             |
| Equity                                | 40,080,897         | 40%         |
| Debt Financing                        | <u>60,131,845</u>  | <u>60%</u>  |
| <br>                                  |                    |             |
| <b>TOTAL SOURCES (W/O ASSISTANCE)</b> | <b>100,212,742</b> | <b>100%</b> |
| <br>                                  |                    |             |
| <u>With Financial Assistance</u>      |                    |             |
| Equity                                | 24,179,048         | 24%         |
| Debt Financing                        | 60,131,845         | 60%         |
| TIF Bond Proceeds                     | 5,312,750          | 5%          |
| Upfront Village TIF Assistance        | 3,300,000          | 3%          |
| Developer Note                        | 2,789,099          | 3%          |
| Affordable Housing Site Sale          | 500,000            | 0%          |
| Retail Land Sale                      | <u>4,000,000</u>   | <u>4%</u>   |
| <br>                                  |                    |             |
| <b>TOTAL SOURCES (W/O ASSISTANCE)</b> | <b>100,212,742</b> | <b>100%</b> |

**Village of Arlington Heights, Illinois Assumptions With Public Financial Assistance (Leveraged Return)  
Preliminary IRR Review with Assumptions**

|                       |             |
|-----------------------|-------------|
| Total Investment      | 100,212,742 |
| Construction Loan     | 60,131,845  |
| Village Assistance    | 11,401,849  |
| Land Sale             | 4,500,000   |
| Loan Rate (Const.)    | 7.50%       |
| Refinance Loan (2021) | 60,131,845  |
| Loan Term             | 25 years    |
| Loan Rate (Long Term) | 6.50%       |
| Equity                | 24,179,048  |

Project Description:  
Residential 268,693 Sq. Ft.

Residential Revenue Assumptions:

|  |           |                          |
|--|-----------|--------------------------|
| Avg. Net Residential Rent/Sq.Ft./Year (2025) | \$30.00   | \$2.50 Rent/Sq.Ft./Month |
| Parking Revenue/Initial Year                 | \$90,000  |                          |
| Misc. Income/Initial Year                    | \$382,106 |                          |

Apartment Expense Assumptions:  
Estimated Annual Expenses (% Rev.) 33.0%

Growth Assumptions:  
Annual Residential Lease Escalation (Yr. 1-3) 2.50%  
Annual Residential Lease Escalation (Yr. 4-10) 3.00%  
Initial Year Occupancy Level 100.0%

| Year        | Residential Revenues | Misc. & Parking Revenues | Total Revenues | Less: Vacancy | Less: Expenses | Total Net Resid. Revenues | Net Revenues Available For Debt Service | Debt Service | NOI       | IRR Calculation |              | Sch. Const. Draw | Principal Interest | Principal Balance |
|-------------|----------------------|--------------------------|----------------|---------------|----------------|---------------------------|---|--------------|-----------|-----------------|--------------|------------------|--------------------|-------------------|
|             |                      |                          |                |               |                |                           |   |              |           | NOI             | Add Residual |                  |                    |                   |
| Const. 2023 | 0                    | 0                        | 0              | 0             | 0              | 0                         | 0                                       | 0            | 0         | (24,179,048)    | (24,179,048) | 0                | 0                  | 60,131,845        |
| Const. 2024 | 0                    | 0                        | 0              | 0             | 0              | 0                         | 0                                       | 0            | 0         | 0               | 0            | 60,131,845       | 0                  | 60,131,845        |
| 2025        | 8,060,790            | 472,106                  | 8,532,896      | (426,645)     | (2,815,856)    | 5,290,396                 | 5,290,396                               | 4,929,698    | 360,698   | 360,698         | 360,698      | 0                | 1,021,128          | 3,908,570         |
| 2026        | 8,262,310            | 486,269                  | 8,748,579      | (437,429)     | (2,887,031)    | 5,424,119                 | 5,424,119                               | 4,929,698    | 494,421   | 494,421         | 494,421      | 0                | 1,087,501          | 3,842,197         |
| 2027        | 8,468,867            | 500,857                  | 8,969,725      | (448,486)     | (2,960,009)    | 5,561,229                 | 5,561,229                               | 4,929,698    | 631,532   | 631,532         | 631,532      | 0                | 1,158,189          | 3,771,509         |
| 2028        | 8,722,934            | 515,883                  | 9,238,816      | (461,941)     | (3,048,809)    | 5,728,066                 | 5,728,066                               | 4,929,698    | 798,369   | 798,369         | 798,369      | 0                | 1,233,471          | 3,696,227         |
| 2029        | 8,984,622            | 531,359                  | 9,515,981      | (475,799)     | (3,140,274)    | 5,899,908                 | 5,899,908                               | 4,929,698    | 970,210   | 970,210         | 970,210      | 0                | 1,313,647          | 3,616,051         |
| 2030        | 9,254,160            | 547,300                  | 9,801,460      | (490,073)     | (3,234,482)    | 6,076,905                 | 6,076,905                               | 4,929,698    | 1,147,208 | 1,147,208       | 1,147,208    | 0                | 1,399,034          | 3,530,664         |
| 2031        | 9,531,785            | 563,719                  | 10,095,504     | (504,775)     | (3,331,516)    | 6,259,213                 | 6,259,213                               | 4,929,698    | 1,329,515 | 1,329,515       | 1,329,515    | 0                | 1,489,971          | 3,439,727         |
| 2032        | 9,817,739            | 580,631                  | 10,398,369     | (519,918)     | (3,431,462)    | 6,446,989                 | 6,446,989                               | 4,929,698    | 1,517,291 | 1,517,291       | 1,517,291    | 0                | 1,586,819          | 3,342,879         |

**IRR analysis:**

|             |       |                      |  |             |                 |        |
|-------------|-------|----------------------|--|-------------|-----------------|--------|
| Assumptions |       |                      |  |             |                 |        |
| Cap Rate    | 5.50% | Value (Res.) 10 yrs. |  | 113,803,866 | IRR Calculation | 13.28% |
|             |       | Total Value          |  | 113,803,866 |                 |        |
|             |       | Less:                |  |             | Return on Cost  | 6.27%  |
|             |       | Mortgage             |  | 49,842,087  |                 |        |
|             |       | Residual             |  | 63,961,779  |                 |        |



The IRR will be calculated at the time the Developer presents the Village with a fully executed guaranteed maximum price construction contract (“**GMP**”) for the Project, a full Project financing commitment, and a current dated market study from a third-party approved by the Village demonstrating the Project’s feasibility. The IRR calculation will be performed taking into account (i) the final GMP price, (ii) all costs of land acquisition, site improvements costs, hard costs and soft costs as identified in all contracts related to such costs that are executed by the Developer, and (iii) the rental rates identified in the market study.

The Target IRR is 13.28%.

## **EXHIBIT D**

### **EXCLUDED PROPERTIES**

Cook County Property Index Numbers:

1. 08-09-402-011
2. 08-09-402-012
3. ASC Property